

**Report of the Trustees and**  
**Unaudited Financial Statements**  
**for the Year Ended 31 March 2022**  
**for**  
**Swindon Music Service**

Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

**Swindon Music Service**

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**for the Year Ended 31 March 2022**

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**Swindon Music Service**  
**Report of the Trustees**  
**for the Year Ended 31 March 2022**

The trustees present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects of the charity are for the public benefit: to advance education particularly (but not exclusively) in relation to music; to advance the arts and culture, particularly (but not exclusively), by promoting and facilitating access to, performances of, and participation in performances of, music; to provide for the recreation of members of the public by providing equipment, facilities and services to them in the interests of social welfare with the object of improving their conditions of life. Nothing in this constitution shall authorise an application of the property of the charity for purposes which are not charitable in accordance with section 7 of the charities and trustee investment (Scotland) act 2005 and section 2 of the charities act (Northern Ireland) 2008.

The Charity aims to create opportunities which will deepen the interests and skills of children and young people from 0 to 18, and families and people of all ages in the community through providing a range of musical and social experiences. Music programmes in local schools will be delivered, supported and facilitated.

**Public benefit**

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## Swindon Music Service

### Report of the Trustees for the Year Ended 31 March 2022

#### **ACHIEVEMENT AND PERFORMANCE**

During this year the charity achieved the following:

During the national lockdowns we managed to offer and deliver the following:

#### **SCHOOLS**

**Core Role One Whole Class Ensemble Tuition:** SMS developed a hybrid offer seeing tutors going into schools when allowed. In addition, tutors produced a series of pre-recorded whole class lessons that could be accessed via Vimeo that was password protected. These videos were used by the school and pupils when learning at home. In spite of Covid related disruptions and challenges from March 2020 onwards broadly the same schools and numbers of schools opted into WCET for academic year 2021-22.

**Core Role Three PROGRESSION:** all local delivery partners developed and implemented online lessons for pupils throughout the academic year. The Hub did initially see a decline in individual lessons over the year, but now SMS and its local delivery partners are seeing a steady increase once again.

**Core Role Four SINGING Strategy:** This has been the most difficult core role to maintain this year due to the uncertainty with regard to singing in and out of school with the strict government guidance. This, coupled with the fact that many schools were reluctant to engage with singing saw our Annual Voice Festivals for schools held at our local theatre, (the Wyvern theatre) being postponed and eventually cancelled. In place of these, Swindon Music Service produced sing along themed videos to assist with those schools wishing to engage with singing or simply for pupils to watch. These videos were professionally produced and were well-received by schools. The videos were offered to schools at no cost during the year. Regardless of Covid disruption and challenges we are confident that Hub / SMS singing strategies continue to add value for the great majority of Swindon schools that engage with us. As also previously mentioned, we partnered up with Norfolk Music Hub to assist with Swindon schools participating with the Virtual Big Sing.

- **GCSE MUSIC** - Bournemouth Symphony Orchestra (BSO), is one of our regional partners that supported progression at KS3-4 in Swindon through its annual GCSE Set-Works concert. This year we managed to reintroduce the live performance workshop once again.

**Extension Role Three Live Music Professional Opportunities:** SMS continued to provide Roadshows to schools in one form or another. When we could, our musical roadshows would go into schools to deliver a live performance and where this was not possible, SMS produced a series of films to allow schools to show pupils in their classrooms in support of their music curriculum timetable. Groups and ensembles were given the opportunity to develop recordings and shown how to create videos to submit to Music for Youth for their virtual wall. As a result, Swindon Young Musicians will be represented by 37 students at the Youth Proms at the Royal Albert Hall next November. Delivery partners also made end of term video concerts for their parents to view.

**Extension Role One CPD:** CPD for schoolteachers was challenging during the Covid disrupted periods. However we did manage to transfer some aspects of this on Zoom and pre-recorded methods, so although CPD did not always occur in traditional forms, the Hub was able to continue to support school-based staff remotely.

Key developments for schools are hub online videos for school-based teachers through pre-recorded films for CPD use. Content such as the 7-dimensions of music have been made available for teachers to use and a online support programme offered through the music service Hub outreach officers made available.

**Extension Role Two:** Instrument hire/loan scheme: During this year the Hub revamped its hire/loan policy and added a remission element to it. SMS also produced guidance for schools and pupils displaying how to clean, store and maintain musical instruments considering COVID guidelines and potential contamination. All school projects purchased directly by schools receive free instrument loans for the duration of each project.

**Additional Information for SCHOOLS:** A small team of music tutors supported KS1 & 2 schools with outreach support seeing schemes of work being offered to schools through the Charanga resource to assist with keeping music going for children that attended schools and for online lessons provided by the school to pupils learning at home.

#### **COMMUNITY**

**Core Role Two ENSEMBLES:** Swindon Young Musicians provided a remote offer through a programme called: Virtual Music World, seeing online resources being made available through the Hub website and Google hangouts for online sectional get togethers. Due to Swindon Young Musicians having its own home, with its own rehearsal studios, when the Out of School Services (OOSS) guidance permitted, a bi-weekly programme was implemented, with limited numbers to allow the young musicians to come together for rehearsals for one week and then receive top-up session on the second week. Transparent pop-up screens were purchased along with the development of a strict cleaning regime including COVID checking mechanisms and a robust dynamic risk assessment were put in place. In addition, the government's Track and Trace system was implemented along with the QR code for entering the building. Other local delivery partners continued to offer online support where they could during lockdowns.

## **Swindon Music Service**

### **Report of the Trustees** **for the Year Ended 31 March 2022**

During this year, we engaged Dr Phil Mullen to start a consultation programme with the Hub to develop a 4-year Inclusion Plan. The plan has now been published and the action plan has been agreed.

We continued to meet the key headings within our School Music Education Plan as follows:

- **Communications.** We continued to communicate with schools and the community through a series of eNewsletters, phone call and emails during this year as an alternative arrangement.

- **Tutors** were supported through Zoom meetings, virtual coffee meetings, eNewsletter, emails and phone calls.

#### **INCLUSION**

SMS has continued to support pupils from the following categories this year:

Special Educational Needs and Disabilities (SEND) through a programme offered to special schools and mainstream schools with a SEND department.

Offered 60% discount for SYM membership fees and/or musical instrument hire for pupils from financially deprived families.

100 % discount for SYM membership fees and/or musical instrument hire for Looked After Children (LAC) and Forces families.

#### **NEEDS ANALYSIS**

Last year we developed our provision based on need and on improved intelligence gathering and data collection. Our data app continues to assist with helping us gather further information from schools in terms of our analysis of need. In addition, our CPD programme to schools, along with our support and challenge work, assists with identifying the needs of our schools. As part of our support and challenge conversations with schools we discuss their needs. As in previous years, the hub advisory group (consisting of representatives from schools, parents and delivery partners) continued to inform an important part of our knowledge gathering process, feeding in views about local need. We continue to consult with young people as a priority. We have also become a partner in the local authority's new Swindon Participation group where we share good practice and work together to develop a joined-up system for children and young people where they have a voice in informing need.

#### **FINANCIAL REVIEW**

##### **Financial position and principal funding sources**

The charity has managed to achieve at total of £211k reserves to date. Free reserves of £139,846 have been achieved towards the third-year target of £160k towards its reserves pot. It has also continued to secure the Department for Education (DfE) grant for music hubs administered through the Arts Council England (ACE).

The charity is therefore secure in its funding for the next year prior to any further DfE agreements beyond 2023 due to be announced along with a new National Plan for Music Education (NPME).

The charity continues to create a 'mixed-economy' approach seeing the DfE grant approximately doubling to create the gross income for the year.

The charity gained a £50k loan from the local authority to assist with the initial cashflow and pension's agreement through an escrow of £45k; each to be paid back over a three-year period. The charity has successfully completed all payments in spite of the pandemic. This sees the cashflow loan fully paid back and the £45k escrow now being held by the local authority.

At the end of the third year, the charity continues to set itself up with a solid foundation to financially continue to grow and succeed.

At 31 March 2022, the charity held total funds of £211,114

**Swindon Music Service**  
**Report of the Trustees**  
**for the Year Ended 31 March 2022**

**FINANCIAL REVIEW**

**Reserves policy**

A reserves policy has been produced for this new charity and was revised during 2022.

**DEFINITIONS AND GOALS**

The Operating Reserve Fund is defined as the designated fund set aside by action of the trustee board. The minimum amount to be designated as operating reserves will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. At a board meeting (held on 22nd March 2022), the Board of trustees agreed to adjust the projection to achieve the overall reserve fund to be achieved over a 5-year period as a result of succession planning coming out of the pandemic.

- Year One £50k 2019/20
- By the end of Year Two £100k 2020/21
- By the end of Year Three £160k 2021/22
- By the end of Year Four £185k 2022/23
- By the end of Year Five £220k 2023/24

The target minimum Operating Reserve Fund is equal to 6-months of average recurring operating costs. The actual calculation of average recurring operating costs is set out in the yearly budget monitoring process. The target of £220k is spread over 5-year period.

At 31 March 2022, the charity held total funds of £211,114 of which £71,268 are held as tangible fixed assets, leaving £139,846 as free reserves. This is slightly below the target of £160k.

**Principal risks and uncertainties**

In its first 3-years of operation, the charity will continue to be reliant on the DfE grant to enable it to continue to offer the broad array of musical opportunities to the children and young people of Swindon.

**FUTURE PLANS**

Our future plans are to continue to expand the partnership arrangements in order to ensure that the children and young people get the very best musical opportunities they can.

We wish to continue to develop our inclusion strategy and to offer grants to local delivery partners to support this strategy - to include opportunities for pupils from financially deprived families to access musical opportunities.

For SMS to develop, it will continue to look for ways in which it can diversify within the scope of its constitution to gain further income. This was also a recommendation from the annual ACE report for 2021/2022.

SMS has now successfully negotiated with the council and secured a longer lease (7-years) for the Platform building that is used for many of the musical activities on offer.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Charity is a Charitable Incorporated Organisation. The governing document is an agreed constitution set out by SMS's lawyers and agreed with the charities commission.

**Recruitment and appointment of new trustees**

Recruitment:

New trustees are appointed by the current board of trustees. A Job Specification for potential trustees is available.

Appointment:

The selection and appointment is based on achieving a diverse set of skills across the board of trustees. All trustees must agree the appointment of a new trustee and approval is included in the board's minutes.

## **Swindon Music Service**

### **Report of the Trustees** **for the Year Ended 31 March 2022**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The Board of Trustees:

The board oversee the financial budgeting and the services offered by the charity put forward by the Senior Leadership team (SLT) of the charity. The Chief Executive of the charity is an ex-officio trustee and the chair of the SLT. The Board of Trustees also have a number of sub-groups that work closer with the SLT:

- Internal Audit sub-group
- HR sub-group
- Finance/Fundraising sub-group
- Public relations/Comms sub-group

The Chief Executive has been delegated the responsibility for the day-to-day running of the charity in collaboration with the SLT. SLT consists of the following:

- Chief Executive
- Operations Delivery Manager - schools
- Singing Champion/Operations Delivery Manager - community

The charity also has 23 music/instrumental tutors (working through a worker's agreement) that deliver musical services for the charity. In addition there are two apprentices. These tutors and apprentices are managed by the SLT.

##### **Induction and training of new trustees**

New trustees receive access to induction materials on our centralised system (Governorhub).

Training is offered when needed. There are also opportunities for trustees to attend national music education conferences and/or training. Local training is available through online resources.

##### **Key management remuneration**

The senior leadership team were TUPE'd across from the local authority to the new charity where they have pay and conditions through the national HAY pay structure. When any pay increases are announced nationally, the board of trustees will have oversight and will need to agree any further pay awards.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees confirm that major risks have been reviewed and systems or procedures have been established to manage those risks.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

1179203

##### **Principal address**

The Platform  
Faringdon Road  
Swindon  
Wiltshire  
SN1 5BJ

##### **Trustees**

Major P Clark Ex Officio Trustee and CEO

D Eaton  
T Wilkes  
C Bannon  
K James  
G Cheal  
R Dolz

**Swindon Music Service**

**Report of the Trustees**  
**for the Year Ended 31 March 2022**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Independent Examiner**

James Gare  
FCA DChA  
Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

**Senior Management Team**

Major (retd) P Clark - CEO  
Mr P Rowe - Operations Delivery Manager  
Mrs J Clark - Singing Champion/Early Years/SYM Manager

**Solicitors**

Bates Wells Braithwaite  
10 Queen Street Place  
London  
EC4R 1BE

**Bankers**

Metro Bank  
1-4 Regent Street  
Swindon  
SN1 1JQ

**7th June 2022**

Approved by order of the board of trustees on ..... and signed on its behalf by:

*TJWilkes*

[TJWilkes \(Jul 20, 2022 10:20 GMT+1\)](#)

.....  
T Wilkes - Trustee



**Independent Examiner's Report to the Trustees of  
Swindon Music Service**

**Independent examiner's report to the trustees of Swindon Music Service**

I report to the charity trustees on my examination of the accounts of Swindon Music Service (the Trust) for the year ended 31 March 2022.

**Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA DChA which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Gare  
FCA DChA  
Monahans  
Chartered Accountants  
38-42 Newport Street  
Swindon  
Wiltshire  
SN1 3DR

Date: 26 July 2022 .....

**Swindon Music Service**

**Statement of Financial Activities**  
**for the Year Ended 31 March 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	348,922	-	348,922	377,970
<b>Charitable activities</b>	4				
Music Education		169,305	-	169,305	181,322
Other trading activities	3	1,732	-	1,732	51
<b>Total</b>		519,959	-	519,959	559,343
 <b>EXPENDITURE ON</b>					
Raising funds	5	1,903	-	1,903	66
<b>Charitable activities</b>	6				
Music Education		538,644	-	538,644	511,605
<b>Total</b>		540,547	-	540,547	511,671
 <b>NET INCOME/(EXPENDITURE)</b>		(20,588)	-	(20,588)	47,672
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		231,702	-	231,702	184,030
 <b>TOTAL FUNDS CARRIED FORWARD</b>		211,114	-	211,114	231,702

The notes form part of these financial statements

**Swindon Music Service**

**Balance Sheet**  
**31 March 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	71,268	-	71,268	108,468
<b>CURRENT ASSETS</b>					
Debtors	14	33,784	-	33,784	11,565
Cash at bank and in hand		180,204	-	180,204	170,724
		<u>213,988</u>	<u>-</u>	<u>213,988</u>	<u>182,289</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(74,142)	-	(74,142)	(56,155)
<b>NET CURRENT ASSETS</b>		<u>139,846</u>	<u>-</u>	<u>139,846</u>	<u>126,134</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		211,114	-	211,114	234,602
<b>CREDITORS</b>					
Amounts falling due after more than one year	16	-	-	-	(2,900)
<b>NET ASSETS</b>		<u>211,114</u>	<u>-</u>	<u>211,114</u>	<u>231,702</u>
<b>FUNDS</b>	19				
Unrestricted funds				211,114	231,702
<b>TOTAL FUNDS</b>				<u>211,114</u>	<u>231,702</u>

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

*T Wilkes*  
T Wilkes (Jul 25, 2022 11:12 GMT+1)  
.....  
T Wilkes - Trustee

**Swindon Music Service**

**Cash Flow Statement**  
**for the Year Ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	30,322	87,312
Interest paid		301	(2,646)
Net cash provided by operating activities		<u>30,623</u>	<u>84,666</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(2,543)</u>	<u>(14,077)</u>
Net cash used in investing activities		<u>(2,543)</u>	<u>(14,077)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(18,600)</u>	<u>(15,700)</u>
Net cash used in financing activities		<u>(18,600)</u>	<u>(15,700)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>9,480</u>	<u>54,889</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>170,724</u>	<u>115,835</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>180,204</u></u>	<u><u>170,724</u></u>

The notes form part of these financial statements

**Swindon Music Service**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2022**

**1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(20,588)	47,672
<b>Adjustments for:</b>		
Depreciation charges	39,744	39,143
Interest paid	(301)	2,646
(Increase)/decrease in debtors	(22,219)	21,925
Increase/(decrease) in creditors	33,686	(24,074)
<b>Net cash provided by operations</b>	<u>30,322</u>	<u>87,312</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.21 £	Cash flow £	At 31.3.22 £
<b>Net cash</b>			
Cash at bank and in hand	170,724	9,480	180,204
	<u>170,724</u>	<u>9,480</u>	<u>180,204</u>
<b>Debt</b>			
Debts falling due within 1 year	(15,700)	15,700	-
Debts falling due after 1 year	(2,900)	2,900	-
	<u>(18,600)</u>	<u>18,600</u>	<u>-</u>
<b>Total</b>	<u>152,124</u>	<u>28,080</u>	<u>180,204</u>

## **Swindon Music Service**

### **Notes to the Financial Statements** **for the Year Ended 31 March 2022**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

##### **Legal status of the charity and General Information**

The charity is a charitable incorporated organisation (CIO). The registered office address can be found in the Trustees' Report.

##### **Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Critical accounting estimates and assumptions**

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no critical accounting estimates or assumptions.

##### **Critical areas of judgement**

There are no critical areas of judgement.

##### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Trading income is included in incoming resources in the SOFA and trading costs are included in resources expended. Income represents commissions receivable, excluding value added tax.

## **Swindon Music Service**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 March 2022**

#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of insert details;
- Expenditure on charitable activities includes insert details; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Music equipment	- 20% on straight line basis
Fixtures and fittings	- 25% on straight line basis
Computer equipment	- 33% on straight line basis

Fixed assets costing in excess of £500 are capitalised.

##### **Taxation**

The charity is exempt from tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are to be used for specified purposes as laid down by the donor which have been raised by the charity for specific purposes. Expenditure which meets these criteria is identified to the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

Retirement benefits to employees of the Charity are provided by the Local Government Pension Scheme ('LGPS'), a defined benefit scheme, and NEST, a defined contribution scheme.

##### **Defined benefit scheme**

Under the transfer agreement from the local authority, the charity's deficit at each actuarial valuation of the Fund is capped at £45,000. The employer's contributions made to the scheme plus the payments made to the local authority as part of the Pension Escrow are charged to the Statement of Financial Activities as incurred.

##### **Defined contribution scheme**

The assets of the scheme are held separately from those of the charity in an independently administered fund, NEST. The costs of the defined contribution arrangements are charged as incurred.

##### **Donated goods, services and facilities**

Donated goods, services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated goods, services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Goods donated for on-going use by a charity in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the SoFA. Donated vehicles, plant or furniture are recognised as tangible fixed assets when their fair value exceeds the threshold for capitalisation set by the charity's accounting policy.

## Swindon Music Service

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 1. ACCOUNTING POLICIES - continued

##### **Financial instruments**

The charitable trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### **Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

##### **Redundancy / Termination payments**

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation is calculated using an appropriate discount rate.

#### 2. DONATIONS AND LEGACIES

	2022 £	2021 £
Donations	3,253	828
Grants	331,031	366,751
Membership income	14,638	10,391
	<u>348,922</u>	<u>377,970</u>

Grants received, included in the above, are as follows:

	2022 £	2021 £
Arts Council England	327,031	323,979
SBC Coronavirus Support Grants	4,000	42,772
	<u>331,031</u>	<u>366,751</u>

#### 3. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Café income	<u>1,732</u>	<u>51</u>



**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**4. INCOME FROM CHARITABLE ACTIVITIES**

		2022	2021
	Activity	£	£
Grants	Music Education	9,459	70,385
Fees from Schools	Music Education	117,190	103,430
Fees from Parents	Music Education	37,081	7,507
Other income	Music Education	5,575	-
		<u>169,305</u>	<u>181,322</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Swindon Borough Council	-	6,300
Coronavirus Job Retention Scheme	9,459	64,085
	<u>9,459</u>	<u>70,385</u>

**5. RAISING FUNDS**

**Raising donations and legacies**

	2022	2021
	£	£
Café costs	<u>1,903</u>	<u>66</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Music Education	<u>530,504</u>	<u>8,140</u>	<u>538,644</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2022	2021
	£	£
Staff costs	401,630	352,791
Rent	3,233	-
Insurance	26,367	16,007
Light and heat	10,658	8,420
Telephone	1,424	1,952
Postage and stationery	2,741	3,230
Advertising	1,945	203
Contributions to Hub partnership and other sponsorship and grants paid	4,800	6,800
Freelancers	3,464	2,322
Exam fees	381	(163)
Instrument repairs and consumables	1,398	3,906
Licences	4,134	36,805
Computer costs	15,666	8,512
Other costs	12,919	9,218
Depreciation	39,744	39,143
	<u>530,504</u>	<u>489,146</u>

**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**8. SUPPORT COSTS**

	Management	Finance	Governance costs	Totals
	£	£	£	£
Music Education	5,098	(301)	3,343	8,140
	<u>5,098</u>	<u>(301)</u>	<u>3,343</u>	<u>8,140</u>

Support costs, included in the above, are as follows:

	2022 Music Education £	2021 Total activities £
Legal, HR and consultancy	5,098	14,937
Interest payable and similar charges	(301)	2,646
Accountancy and independent examination	3,343	4,876
	<u>8,140</u>	<u>22,459</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

The Ex Officio Trustee, P Clark, is employed by the Charity, as per the Charity's constitution, as Chief Executive Officer, and earned gross salary of £52,163 (2021: £51,646) and employers pension contribution of £9,494 (2021: £10,040).

There were no other trustees' remuneration or other benefits for the year ended 31 March 2022 nor the year ended 31 March 2021.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**10. STAFF COSTS**

	2022 £	2021 £
Wages and salaries	342,379	295,816
Social security costs	19,068	14,902
Other pension costs	40,183	42,073
	<u>401,630</u>	<u>352,791</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Music teachers	26	24
CEO	1	1
	<u>27</u>	<u>25</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity comprise the Trustees and the senior management personnel as listed on page 2. The total employee benefits of the key management personnel of the charity were £158,567 (2021 : £172,527).

**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	377,970	-	377,970
<b>Charitable activities</b>			
Music Education	181,322	-	181,322
Other trading activities	51	-	51
<b>Total</b>	559,343	-	559,343
<b>EXPENDITURE ON</b>			
Raising funds	66	-	66
<b>Charitable activities</b>			
Music Education	511,605	-	511,605
<b>Total</b>	511,671	-	511,671
<b>NET INCOME</b>	47,672	-	47,672
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	184,030	-	184,030
<b>TOTAL FUNDS CARRIED FORWARD</b>	231,702	-	231,702

**12. GOVERNMENT GRANT INCOME**

	2022 £	2021 £
Arts Council England	327,031	323,979
Swindon Borough Council	4,000	42,772
HM Revenue & Customs	10,459	64,085
Education and skills funding agency	1,000	-

There were no unfulfilled conditions or other contingencies attached to these grants. The charity has not directly benefited from any other forms of government assistance other than the following:

1. Swindon Borough Council have provided a loan (see note 16) to support the charity in its first years of operation
2. Swindon Borough Council have agreed to cap the charity's LGPS liability at £45,000 (see note 20).

**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**13. TANGIBLE FIXED ASSETS**

	Music equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2021	162,378	3,351	17,487	183,216
Additions	1,844	-	699	2,543
At 31 March 2022	164,222	3,351	18,186	185,759
<b>DEPRECIATION</b>				
At 1 April 2021	63,637	838	10,273	74,748
Charge for year	32,844	837	6,062	39,743
At 31 March 2022	96,481	1,675	16,335	114,491
<b>NET BOOK VALUE</b>				
At 31 March 2022	67,741	1,676	1,851	71,268
At 31 March 2021	98,741	2,513	7,214	108,468

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	14,440	6,740
Accrued income	5,575	-
Prepayments	13,769	4,825
	33,784	11,565

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Other loans (see note 17)	-	15,700
Trade creditors	22,807	2,694
Social security and other taxes	7,902	5,128
Other creditors	3,314	-
Accruals and deferred income	40,119	32,633
	74,142	56,155

At the balance sheet date the charity was holding funds of £37,158 (2021: £29,483) received in advance for the April-July 2022 school term.

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Other loans (see note 17)	-	2,900

**Swindon Music Service**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**17. LOANS**

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Other loans	-	15,700
	<u>          </u>	<u>          </u>
Amounts falling between one and two years:		
Other loans - 1-2 years	-	2,900
	<u>          </u>	<u>          </u>

The Charity received a loan of £50,000 from Swindon Borough Council which is payable over 3 years. Interest is charged at 6%.

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	20,000	-
Between one and five years	80,000	-
In more than five years	36,667	-
	<u>136,667</u>	<u>          </u>

**19. MOVEMENT IN FUNDS**

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
<b>Unrestricted funds</b>			
General fund	231,702	(20,588)	211,114
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>231,702</u>	<u>(20,588)</u>	<u>211,114</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	519,959	(540,547)	(20,588)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>519,959</u>	<u>(540,547)</u>	<u>(20,588)</u>

**Comparatives for movement in funds**

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
<b>Unrestricted funds</b>			
General fund	184,030	47,672	231,702
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u>184,030</u>	<u>47,672</u>	<u>231,702</u>

## **Swindon Music Service**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 March 2022**

#### **19. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	559,343	(511,671)	47,672
<b>TOTAL FUNDS</b>	<u>559,343</u>	<u>(511,671)</u>	<u>47,672</u>

Early Years Music Intervention Project - funding from Swindon Borough Council to support, through music, disadvantaged/low income families with 0-30 months age group children.

#### **20. EMPLOYEE BENEFIT OBLIGATIONS**

The pension cost charge representing contributions payable by the charity to NEST amounted to £2,748 (2021 : £3,471). At 31 March 2022, contributions of £838 (2021: £nil) were payable.

The pension cost charge representing contributions payable by the charity to the LGPS amounted to £ (2021 :22,434 £23,602). At 31 March 2022, contributions of £2,476 (2021: £nil) were payable.. The charity also made payments of £15,000 as part of the Pension Escrow agreement - see below.

##### **Pension Escrow**

The transfer agreement with Swindon Borough Council (SBC) included an escrow that caps the charity's liability to exit the LGPS scheme at £45,000. If the liability to exit the scheme is lower than £45k then the charity will receive the remainder.

The Charity shall pay the sum of £45,000 over to SBC over a three year period commencing 1 April 2019 in quarterly instalments. The payments are recognised as an expense in the statement of financial activities upon payment.

#### **21. RELATED PARTY DISCLOSURES**

The spouse of Ex Officio Trustee and Chief Executive Officer P Clark, is employed by the charity as singing champion/early years manager and was paid gross salary of 37,807 (2021 : £37,433) and employers pension contributions of £6,881 (2021: £7,810).

The spouse of trustee K James, is employed by the charity as a music teacher and was paid gross salary of £3,694 (2021: £3,810).

The spouse of key management personnel, P Rowe, is employed by the charity as a music teacher and was paid gross salary of £7,017 (2021: £7,986) and employers pension contributions of £57 (2021: £63).

# End of year sign off

Final Audit Report

2022-07-20

Created:	2022-07-20
By:	Peter Clark (pclark@smscio.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAApzSq8kc1U0mXwNui1L4U-NOrHZeO0FwT

## "End of year sign off" History

-  Document created by Peter Clark (pclark@smscio.co.uk)  
2022-07-20 - 07:53:44 GMT - IP address: 92.22.43.238
-  Document emailed to tjwilkes@btinternet.com for signature  
2022-07-20 - 07:54:44 GMT
-  Email viewed by tjwilkes@btinternet.com  
2022-07-20 - 09:19:26 GMT - IP address: 86.167.253.9
-  Document e-signed by TJWilkes (tjwilkes@btinternet.com)  
Signature Date: 2022-07-20 - 09:20:45 GMT - Time Source: server- IP address: 86.167.253.9
-  Agreement completed.  
2022-07-20 - 09:20:45 GMT



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# End of year sign off - signed

Final Audit Report

2022-07-25

Created:	2022-07-25
By:	Peter Clark (pclark@smscio.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAYIzMiBzse57zqwb3jcMRdx7KY0AMw7WL

## "End of year sign off - signed" History

-  Document created by Peter Clark (pclark@smscio.co.uk)  
2022-07-25 - 12:52:17 GMT- IP address: 176.248.146.195
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2022-07-25 - 16:11:59 GMT- IP address: 31.50.217.119
-  Signer tjwilkes@btinternet.com changed full name at signing to TJWilkes  
2022-07-25 - 16:12:45 GMT- IP address: 31.50.217.119
-  Document e-signed by TJWilkes (tjwilkes@btinternet.com)  
Signature Date: 2022-07-25 - 16:12:47 GMT - Time Source: server- IP address: 31.50.217.119
-  Agreement completed.  
2022-07-25 - 16:12:47 GMT



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